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SMALL BUSINESS AND/OR DISABLED VETERAN BUSINESS ENTERPRISE CERTIFICATION BOOKLET

State of California
Pete Wilson, Governor

Department of General Services
Peter Stamison, Director

Prepared by
Office of Small and Minority Business

MISSION STATEMENT

The Office of Small and Minority Business (OSMB) aids small, minority, women, and disabled veteran business enterprises to further their participation in state contracting opportunities. The primary OSMB responsibilities are small business and disabled veteran business enterprise certifications. The Office publishes the California State Contracts Register (CSCR), a semi-monthly publication of current state contracting opportunities, which announces state service and construction contract bid information. The Office provides assistance in implementing provisions for the Small Business Procurement and Contract Act (five percent small business preference), Prompt Payment Act, Target Area Contract Preference Act (TACPA), and Employment and Economic Incentive Act (EEIA). The OSMB works with state agencies and business firms to further minority, women, and disabled veteran business enterprise goal attainment.

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Office of Small and Minority Business

Program Overview

	Program	Purpose	Authority
1	Small Business Certification	Certifies firms for the five percent bidding preference.	California Government Code
2	Prompt Payment Act	Encourages expeditious invoice payment to certified small businesses and recognized nonprofit organizations.	California Government Code
3	Disabled Veteran Business Enterprise (DVBE) Certification	Certifies firms for the three percent contracting participation goal.	California Public Contract Code and California Military and Veterans Code
4	Minority, Women, and Disabled Veteran Business Enterprise (M/W/DVBE) Participation Program	Encourages participation of minority business enterprise, women business enterprise, and disabled veteran business enterprise in the state contracting process.	California Public Contract Code and California Military and Veterans Code
5	Target Area Contract Preference Act (TACPA)	Stimulates state contracting opportunities in designated distressed areas.	California Government Code
6	Employment and Economic Incentive Act (EEIA)	Stimulates state contracting opportunities in designated enterprise zones.	California Government Code
7	California State Contracts Register (CSCR)	Advertises state construction and service contracting opportunities.	California Government Code
8	Other Publications	Assists state agency and business community access to state contracting information.	California Government Code
9	Teletask	Explains the various OSMB programs via recorded message.	Administratively implemented by OSMB

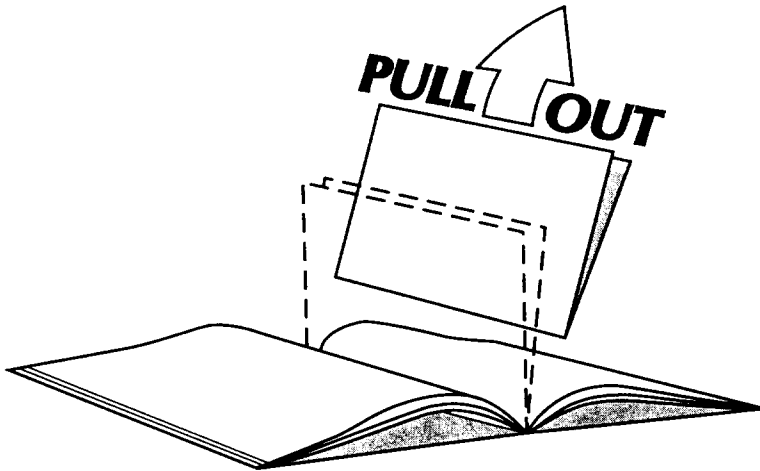
CHAPTER 1

HOW TO USE THIS BOOKLET

This new booklet contains important information messages for successful completion of the STD. 812 (Rev. 7/94) Form.

The booklet contains two STD. 812 (Rev. 7/94) Form center pull-outs (see Illustration 1). Two STD. 812 (Rev. 7/94) Forms are included for your convenience. The Office of Small and Minority Business (OSMB) requires submission of only one of the STD. 812 (Rev. 7/94) Forms. Contact the OSMB if additional STD. 812 (Rev. 7/94) Form(s) are needed.

Illustration 1



Furthermore, the booklet contains two Affidavit of Income - Unaudited Income Statement, STD. 812A (New 7/94) Form center cut-outs and two Service-Connected Disability Renewal Statement, STD. 812B (New 7/94) Form center cut-outs. Duplicate the forms as needed.

The OSMB recommends maintaining a blank copy of the STD. 812 (Rev. 7/94), STD. 812A (New 7/94), and STD. 812B (New 7/94) Forms, as well as a complete copy of all OSMB submitted forms. Refer to the Table of Contents to identify sections and titles necessary to complete the aforementioned forms.

CHAPTER 2

Information and Instructions

Section A

Certification Type Requested

QUESTION 1

Check only one box. An applicant may apply for small business certification, disabled veteran business enterprise certification or both.

**Small Business
Definition**

Small Business means a business:

- whose principal office is located in California.
 - whose officers are domiciled in California.
 - which is independently owned and operated.
 - which is not dominant in its field of operation.
 - which has gross annual receipts for the three most recently completed tax years under the industry group maximum receipts level.
-

**Disabled
Veteran
Definition**

A disabled veteran means a veteran:

- of the United States military, naval, or air service,
 - with a service-connected disability of 10% or more, and
 - who is a California resident.
-

**Disabled
Veteran
Business
Enterprise
Definition**

Disabled Veteran Business Enterprise means a business:

- certified by the Office of Small and Minority Business (OSMB).
- which is either:
 - a) Sole Proprietorship - at least 51% owned by one or more disabled veterans or
 - b) Publicly Owned Business - at least 51% of its stock owned by one or more disabled veterans or
 - c) Subsidiary - wholly owned by a parent corporation, but only if at least 51% of the corporation voting stock is owned by one or more disabled veterans or
 - d) Joint Venture - at least 51% of the joint venture's management, control and earnings are held by one or more disabled veterans.

and

- whose management and control of the daily business operations are by one or more disabled veterans. The disabled veteran(s) who exercises management and control is not required to be the disabled veteran owner(s).
 - whose home office is located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
-

QUESTION 2

Check the box(es) that best describe the firm's general business classification.

**Supplier/
Commodity
Firm Definition**

Supplier/Commodity firm means any business with a goods agreement for the purchase, lease, or rental option to purchase.

Service Firm Definition	Service firm means any business performing certain duties. Services exclude public works, sale, manufacture, lease or rental of goods. Additionally, service arrangements are excluded when incidental to sale, manufacture, lease or rental of goods.
Construction Firm Definition	Construction firm means any business concern issued a valid California contractor's license.
QUESTION 3	Enter the firm's federal employer identification number. If none, enter none.
QUESTION 4	Enter the firm owner's social security number. If the firm is a corporation enter "not applicable" (N/A).
QUESTION 5	Enter the firm's area code and telephone number for conducting business. The OSMB publishes this telephone number in business directories.
Telephone Number Change	Provide the OSMB written notification of any change of your firm's telephone number. Include the OSMB Purchasing Information Network (PIN) number, if known.
QUESTION 6	Enter the firm's "DBA" (doing business as) name. The DBA name must be the firm's name used when bidding on state contracts. Additional firm names may be entered under question 7 and listed as "AKA" (also known as).
QUESTION 7	Enter the firm's "AKA" (also known as) and label as "AKA". The AKA name may not be used when bidding on state contracts.
QUESTION 8	Enter the firm's current mailing address. The OSMB uses this address for business correspondence and business directories.
Address Change	Provide the OSMB written notification of any change of your firm's business address. Include the OSMB PIN number, if known.
QUESTION 9	Enter the current branch office name(s) and address(es) for the firm. If there are no branch offices, enter none.
Branch Office Definition	A branch office means a separately located applicant operational unit.

Section B

Ownership Type

QUESTION 1 Check only one box describing the firm's organizational structure.

Sole Proprietor Definition A sole proprietorship means a business enterprise whose owner holds exclusive rights over the organization.

Partnership Definition	A partnership means a business enterprise whose ownership is shared with another or others and established by a written agreement.
Corporation Definition	A corporation means a legally established association existing as an entity with powers and liabilities independent of those of its members.
Joint Venture Definition	A joint venture means a business association established to engage in and carrying out a single common profit business venture.
Nonprofit Definition	A nonprofit entity means a legally established association established to engage in and carrying out not for profit business activities.
QUESTION 2	Enter the complete office address considered to be the firm's headquarters. This address must be a street address rather than a post office box number.
QUESTION 3	<p>Enter the parent company's name and complete address, if the applicant firm is a subsidiary.</p> <p>Enter "not applicable" (N/A) if the applicant firm is not a corporation or is the parent company.</p> <ul style="list-style-type: none"> Do not enter division names or DBA names in this section.
Subsidiary Definition	A subsidiary means a firm owned in part or whole by another business entity.
QUESTION 4	Enter all subsidiaries' name(s) and complete address(es), if the applicant firm is the parent company.

Section C

Service Firm

Only service firms complete this section.	
QUESTION 1	Identify the services provided by the firm. The CCR, Section 1896 (n)(3) lists service industry group codes. Refer to pages 17 and 18 to identify the roman numeral and associated service industry group. Enter each roman numeral industry group code applicable to the firm's services. NOTE: The small business regulations established four sets of industry groups; construction, nonmanufacturer commodity, manufacturer commodity and services. Ensure the service set is utilized.
QUESTION 2	Check the appropriate box indicating franchise status. Send with the completed STD. 812 (Rev. 7/94) Form a copy of the entire franchise agreement, if the firm is a franchise.
QUESTION 3	Check the appropriate box indicating agent status. Send with the completed STD. 812 (Rev. 7/94) Form a copy of the entire agent agreement, if authorized as an agent.
Agent Definition	An agent means a firm authorized by another firm to act on its behalf.

Section D

Construction Firm

Only construction firms complete this section.

- QUESTION 1** Enter the firm's current contractor's license number as filed with the Contractor's State License Board (CSLB).
-
- QUESTION 2A** Enter the firm's contractor's license alpha classification designation. Refer to page 16 for the contractor license types identified in the California Code of Regulations, Title II, Section 1896(l)(4). NOTE: The small business regulations established four sets of industry groups; construction, nonmanufacturer commodity, manufacturer commodity, and service. Ensure the construction set is utilized.
-
- QUESTION 2B** Enter the name(s) of all CSLB qualified license holders.
- The CSLB may designate the qualified license holder as a "Responsible Managing Officer" (RMO) or "Responsible Managing Employee" (RME).
-
- RMO Definition**
- The RMO is the applicant firm's officer holding the contractor's license.
-
- RME Definition**
- The RME is an applicant firm's employee holding the contractor's license.
-
- QUESTION 3** Enter the license expiration date as filed with the CSLB.
-
- QUESTION 4** Enter the dollar amount of the firm's bonding capability. All CSLB licensed contractors have a minimum \$5,000 bonding capability.
-
- QUESTION 5** Check the appropriate box indicating other contractor's license status.
-

Section E

Supplier/Commodity Firm

Only supplier/commodity firms complete this section.

- QUESTION 1** Check the appropriate box(es) which best describe the firm's product/commodity sales classification.
-
- Wholesaler Definition**
- Wholesaler means a firm which sells goods in large amounts to retailers or jobbers rather than directly to consumers.
-

Retailer Definition	Retailer means a firm which sells goods to ultimate consumers usually in smaller quantities.
Broker Definition	Broker means a firm which buys or sells for a principal on a commission basis.
Distributor Definition	Distributor means a firm which markets, sells or delivers a merchandise line to individual customers in a specific region or area.
Manufacturer Definition	Manufacturer means a firm which makes objects or materials, usually on a large scale.
Manufacturing Agent Definition	Manufacturing agent means a firm authorized by a manufacturer to act on its behalf.
Franchise Definition	<p>Franchise means a firm granted rights by a company to sell a product or service in a specified territory.</p> <ul style="list-style-type: none"> • A copy of the entire franchise agreement must be included with the completed STD. 812 (Rev. 7/94) Form.
QUESTION 2	<p>Complete this question if you are a manufacturer. Enter the roman numeral, corresponding manufacturer commodity industry group name and maximum receipts threshold. NOTE: The small business regulations established four sets of industry groups: construction, nonmanufacturer commodity, manufacturer commodity and services. Ensure the manufacturer commodity set is utilized.</p> <ul style="list-style-type: none"> • If the firm is a manufacturer, reference the product applicable to the industry group found on page 17, California Code of Regulations (CCR), Title II, Section 1896(m)(5). <p>Example: A rubber bands manufacturer lists in the manufacturer section the following description:</p> <p style="padding-left: 40px;">(X) - Rubber and Miscellaneous plastic products</p>
QUESTION 3	<p>Complete the question if you are a nonmanufacturer. Enter the roman numeral, corresponding nonmanufacturer commodity industry group number, and maximum receipts threshold. NOTE: The small business regulations established four sets of industry groups: construction, nonmanufacturer commodity, manufacturer commodity and services. Ensure the nonmanufacturer commodity set is utilized.</p> <ul style="list-style-type: none"> • If the firm is a nonmanufacturer, reference the product applicable to the industry group found on pages 16 and 17, CCR, Title II, Section 1896(m)(4).
QUESTION 4	<p>Check the "yes" or "no" box indicating the firm's agent status. If yes:</p> <ul style="list-style-type: none"> • Check the appropriate box indicating the firm's full time or part time status. • Submit a copy of your entire agent agreement.
Agent Definition	An agent means a firm authorized to act on another business entities behalf.
QUESTION 5	Check the appropriate box indicating the firm takes title to the goods.

Section F

Business Information

QUESTION 1	Sign on the signature line. The owner/officer signature acknowledges their belief that the firm meets the small business certification requirements. Read pages 15 - 20.
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QUESTION 2	Check the applicable box pertaining to affiliations.
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Affiliate Definition	An affiliate means a firm owned, controlled or otherwise influenced by another business entity.
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QUESTION 3	Enter the gross annual receipts for the three most recently completed tax years. The entire relevant applicant firm Federal Tax Returns (FTRs) and any affiliate business FTRs must be provided to document the income reported. A notarized "Affidavit of Income" form may be submitted if the most recently completed tax year FTR has not been filed with the Federal Internal Revenue Service. Complete column B for affiliate firms, if question 2 of Section F was answered yes. Total the three years gross annual receipts for section A and, if applicable, section B and enter the amount in the row labeled Aggregate Total for the respective sections. Total each row and enter the amount in the appropriate row of Section A + B.
-------------------	--

Purpose	Answering this question enables the OSMB to determine business monetary receipts from all sources.
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Tax Year 1 Definition	Tax year 1 means the oldest completed tax year of the three year cycle.
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Tax Year 2 Definition	Tax year 2 means the second most recently completed tax year of the three year cycle.
------------------------------	---

Tax Year 3 Definition	Tax year 3 means the most recently completed tax year of the three year cycle.
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Gross Annual Receipts Definition	Gross annual receipts means monetary receipts from all sources, including affiliates, as documented by Federal Tax Returns submitted to the Internal Revenue Service (IRS).
---	---

Tax Period From / to	For each tax year enter the beginning month and year as well as the ending month and year. Example: Calendar Year From 01/91 to 12/91 Fiscal Year From 07/90 to 06/91
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QUESTION 4	Enter the firm's current tax reporting year.
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**Sole
Proprietors/
Partnerships**

Federal Tax Return 1040 (personal or sole proprietorship return) or Federal Tax Return 1065 (general partnership return) users report on a calendar year basis. A calendar year reporting cycle is from January 1 to December 31.

QUESTION 5A

Indicate the date the firm formally started business. Complete this section only if the applicant firm has been in business less than three years.

QUESTION 5B

Complete this question if the business ownership type changed within the last three years. Provide date of the change and type.

QUESTION 6

Only corporations complete this question.

Check the box for "Yes", if the business was:

- a) incorporated less than three years ago, and
- b) previously existed as a sole proprietorship, partnership or another corporation.

Check the box for "No", if the business was:

- a) incorporated less than three years ago, and
- b) did not previously exist.

**"Yes"
Attachments**

This chart indicates the required attachments if box "Yes" is checked.

If previously ...	then submit ...
a sole proprietorship	the entire signed 1040 Federal Tax Returns.
a partnership	<ul style="list-style-type: none">1. the entire signed 1040 Federal Tax Returns for each partner, officer, or owner of the applicant corporation,2. the partnership dissolution document, <u>and</u>3. the 1065 Federal Tax Return that indicates "final return" for dissolved partnership.
a corporation	<ul style="list-style-type: none">1. the entire signed 1120 Federal Tax Return for dissolved corporation,2. the corporation dissolution document, <u>and</u>3. the 1120 Federal Tax Return that indicates "final return" for dissolved corporation.

**"No"
Attachments**

Provide the following attachments if box "No" is checked.

1. A notarized letter that states:

"This business did not previously exist as a sole proprietorship, partnership or another corporation prior to incorporating."

2. If the applicant corporation has existed less than three years:

- a) a copy of the Articles of Incorporation from the Secretary of State indicating the firm's incorporation date, and
- b) a copy of the firm's by-laws indicating the name(s) of all owners, officers, and/or directors of the corporation.

QUESTION 7

List all owners, general partners, officers, directors, and responsible managing employees (RMEs) of the firm. Include their name, title(s), stock ownership percentage and a complete home address including street address, city, state and zip code.

NOTE

All applicable positions must be listed.

- If one person holds multiple positions, all titles must be listed.

Example: You are the owner, a director and the president for the corporation. All three titles must be listed in question 7.

- If the firm is a sole proprietorship, the owner holds 100% ownership. List 100% in the "stock %" column.
- If the firm is a general partnership, write in the percentage owned by each partner.
- If the firm is a corporation, the stock percentages must total 100%. The percentage of outstanding shares should be indicated, if applicable.
- Do not use a post office box number.

QUESTION 8

Please check "yes" or "no", if any owner, general partner, officer, director, or RMEs of the applicant firm is an owner, general partner, officer, director or RME of any other business.

NOTE

- A spouse's ownership in an affiliate firm must be listed.
 - A firm's status should indicate, "yes" the firm is currently operational or "no" it is not, with the date the firm ceased to operate.
 - If a firm has disassociated, it should indicate "yes" and the disassociation date along with supporting documentation.
-

"Yes"
Attachments

When ...	Then ...
the affiliate firm is a sole proprietorship.	submit entire signed Federal Tax Return 1040s for the past completed three years.
the affiliate firm is a partnership.	submit entire signed Federal Tax Return 1065s for the past completed three tax years and the Federal Tax Return 1040s for the partner involved in the ownership of the affiliate firm for the past three completed tax years.
the affiliate firm is a corporation.	submit entire signed Federal Tax Return 1120s for the past completed three tax years.

QUESTION 9

Enter the appropriate state area codes from the "State of California, 12 Area Map" (page 14) for the geographic location the firm has the capacity of doing business.

Section G

Firms Requesting DVBE Certification Only

Only DVBE certification applicants complete this section.

QUESTION 1

Enter the individual's name and title controlling the respective business areas.

Control

Control means the authority or ability to regulate, direct, dominate or directly influence the day-to-day operations.

QUESTION 2

Sign on the signature line. The owner/officer signature acknowledges their belief that the firm meets the disabled veteran business enterprise certification requirements.

QUESTION 3

Check the appropriate box pertaining to disabled veteran owner(s) California residency.

QUESTION 4

Check the appropriate boxes and submit the required information with your DVBE STD. 812 (Rev. 7/94) Form.

Attachment 1	<p>a) A letter such as an award of entitlement must be submitted by all DVBE owner/officers/managers. Each letter must:</p> <ul style="list-style-type: none"> • be dated within six months of the date on which certification/renewal is sought; • be from the United States Department of Veteran Affairs or United States Department of Defense; • declares a service-connected disability of at least 10% exists for each DVBE owner/officer/manager.
NOTE	<p>1) Service-connected disability dollar awards do not indicate a disability percentage.</p> <p>2) A disability range of less than 30% does not verify a disability of at least 10%.</p>
Attachment 1	<p>b) Upon renewal, a Service-Connected Disability Renewal Statement, STD. 812B (NEW 7/94) form may be used in lieu of an award of entitlement letter. Each disabled veteran must complete and sign their own individual form.</p>
NOTE	<p>If the DVBE certification has elapsed, a letter such as a letter of entitlement is required. (See 1a above.)</p>
Attachment 2	<ul style="list-style-type: none"> • All businesses must submit a copy of their business license or a statement indicating the firm's applicable city or county does not require a business license. The applicant must include a city/county telephone number so verification may be obtained, when a "license is not required" statement is used. • Commodity firms must submit a copy of their California Board of Equalization "Seller's Permit". • Construction firms must submit a copy of their California Contractor's State License Board license(s). • Other applicable licenses may include professional licenses such as those for attorneys, real estate professionals or accountants.
Attachment 3	<p>An informational document/brochure describing the firm may include promotional brochures, telephone yellow page large display ads, resumes or a written paragraph.</p>
Attachment 4	<p>Partnership firms must submit a copy of their partnership agreement. Amendment copies must be included.</p>
Attachment 5	<p>Corporations must submit a copy of their Articles of Incorporation and corporation by-laws. All amendments or corporate minutes must be submitted that reflect changes to ownership, management, control or corporation structure:</p> <p>Example 1: If the current directors are not the original directors identified in the articles or by-laws, minutes substantiating the removal of old directors and appointment of new directors must be submitted.</p> <p>Example 2: If the original by-laws indicate three directors and five officers, president, two vice presidents, secretary and treasurer and currently the corporation has five directors and three officers; president, one vice president and a secretary/treasurer, amendments or minutes substantiating the changes must be submitted.</p> <p>Foreign corporations must submit a copy of authority to do business in California.</p>

Section H

Small Business Applicants Only

Only small business certification applicants complete this section.

- QUESTION 1** Check the appropriate box(es) and submit the required information with your STD. 812 (Rev. 7/94) Form.
-
- Attachment 1** Firms must submit completed Federal Income Tax Returns for the three most recently completed tax years. A notarized Affidavit of Income - Unaudited Income Statement, STD. 812A (New 7/94) Form may be used for the most recent tax year if tax returns are not available. The STD. 812A (New 7/94) Form must be replaced by the completed Federal Income Tax Returns when they become available.
-
- NOTE**
- 1) **TAX RETURNS MUST BE SIGNED BY THE FIRM'S OWNER(S)/OFFICER(S). MANY TAX RETURN FILE COPIES ARE SIGNED ONLY BY THE TAX PREPARER. A TAX PREPARER'S SIGNATURE IS NOT ACCEPTABLE. INSURE PROPER SIGNATURES ARE INCLUDED.**
 - 2) The STD. 812A (New 7/94) Form must include the notary stamp and signature on the completed form. Stamps and signatures attached to the form will not be accepted.
-
- Attachment 2** Sole Proprietorships must submit the most recent three years signed 1040 Federal Tax Returns. All attachments and schedules must be included. Personal 1040 Federal Tax Returns must be submitted if the firm has been in business less than three years.
-
- Attachment 3** Partnerships must submit:
- the entire signed 1065 Partnership Federal Tax Returns for the most recent three years in business if in business less than three years.
 - three years entire signed 1040 Federal Tax Returns for each partner regardless of years in business.
-
- Attachment 4** Corporations must submit entire signed 1120 Federal Tax Returns for the most recent three years. See Section F, Question 6 instructions if the corporation has been in business for less than three years.
-
- NOTE** Affiliate firm tax forms may also be required; refer to Section F, Question 8 instructions.
-

Signature Block Section

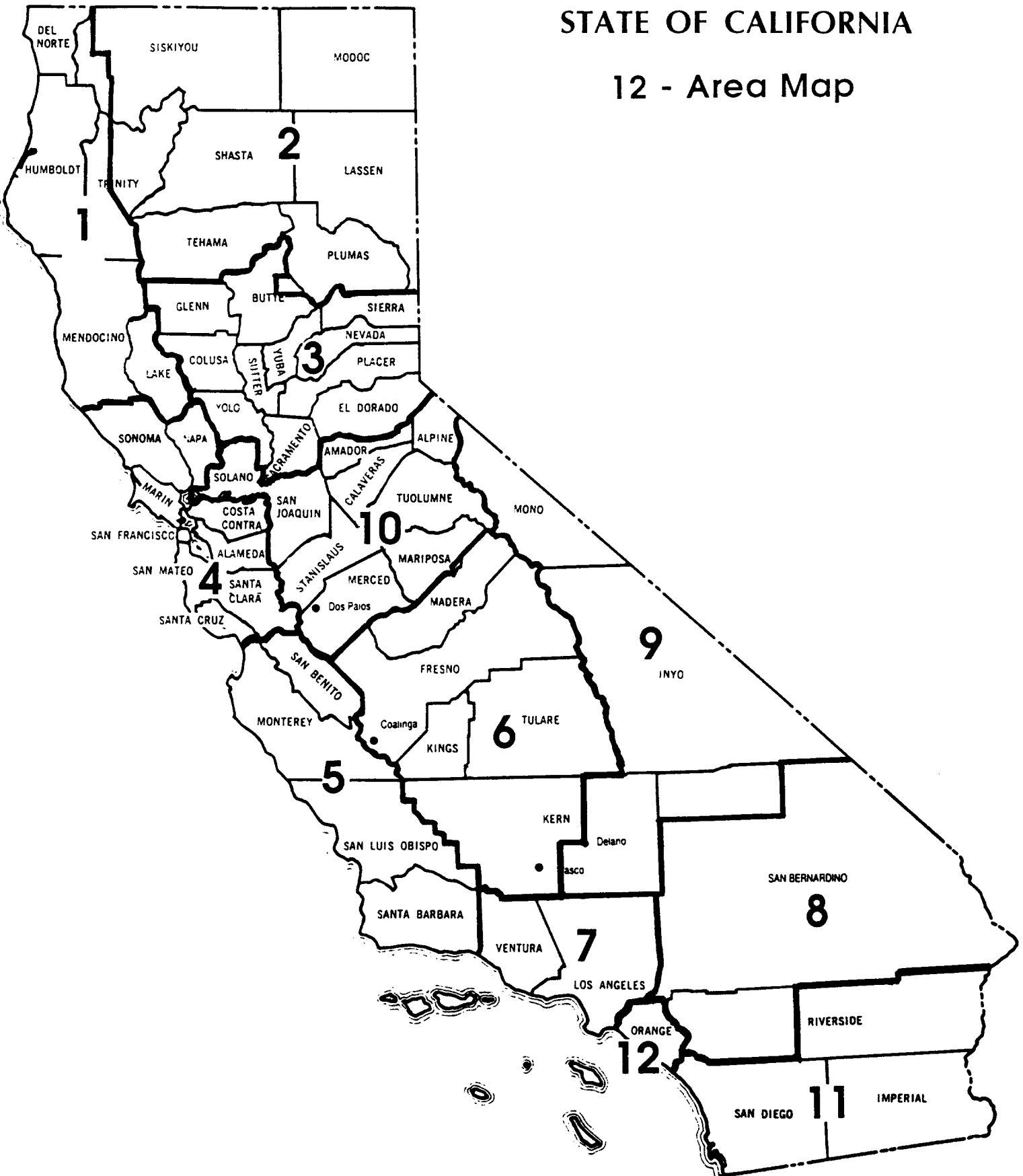
Sign the Small and/or Disabled Veteran Business Enterprise Application for Certification. The firm owner/officer's signature is required for certification and is signed under penalty of perjury. The signature certifies:

- awareness that the Small and/or Disabled Veteran Business Enterprise Application (STD. 812 (Rev. 7/94) Form) and attachments are public record;
- awareness that willfully providing false information is subject to serious penalties;
- the individual has read and understands the statement provided; and
- all information provided is accurate and truthful.

CHAPTER 3

STATE OF CALIFORNIA

12 - Area Map



SUBCHAPTER 8. OFFICE OF SMALL BUSINESS PROCUREMENT AND CONTRACTS

Article 1. General Provisions

1896. Definition of Terms As Used in This Subchapter.

- (a) "Business Concern" means:
- (1) an entity organized for profit, including but not limited to, an individual, partnership, corporation, joint venture, association or cooperative; and
 - (2) for purposes of California Government Code Section 926.15, a duly authorized non-profit corporation.
- (b) "Affiliate" means a business concern which is a subsidiary of or owned in part by another business concern such that the applicant business concern is subject to the control of a non-applicant business concern(s). As an alternative to actual ownership, an affiliation may be based upon the existence of other appropriate factors including common management, shared or common employees and existing contractual relationships: Provided, however, that the restraints imposed on a franchisee by its franchise agreement shall not be conclusive in determining whether the franchisor controls or has the power to control and, therefore, is affiliated with the franchisee, so long as the franchisee maintains the right to profit from its efforts, commensurate with ownership and bears the risk of loss or failure. In the following circumstances there will be a presumption that business concerns are affiliates, however, such presumption may be rebutted by clear and convincing evidence that an affiliation does not, in fact, exist;
- (1) If the concern applying for classification as a small business has been assisted by another concern, which is engaged in a similar or commonly related business activity, to meet bonding or other security requirements, and the assisting concern is listed or otherwise designated as a subcontractor or supplier for more than 40% of the contract price required to be performed per the prime bid.
 - (2) If the controlling or majority owners of concerns which are engaged in similar or commonly related business activity are familiarly related, as defined herein, and have established a business or financial relationship between them.
 - (3) If 70% or more of the annual receipts for a business concern's preceding fiscal year are derived from the sale, lease or rental of goods supplied by a single manufacturer or supplier and such goods have been acquired by such business concern for:
 - (A) More accommodating terms and conditions than generally offered by the manufacturer or supplier to other customers; or
 - (B) A lesser price than generally offered by the manufacturer or supplier to other customers.
 - (c) "Control" means the authority or ability to regulate, direct, dominate or directly influence the day-to-day operations of any business concern. Every business concern is considered as having one or more parties who directly or indirectly control or have the power to control it. Control may be affirmative or negative, and it is immaterial whether it is exercised so long as the power to control exists. If the concern under consideration is a corporation, it should be noted that a party is considered to control or have the power to control a business concern if such party controls or has the power to control fifty percent or more of its voting stock. In addition, a party is considered to control or have the power to control a concern even though such party owns, controls, or has the power to control less than fifty percent of the concern's voting stock if the block of stock such party owns, controls, or has the power to control, is large as compared with any other outstanding block of stock. If two or more parties each owns, controls, or has the power to control less than fifty percent of the voting stock of a concern and such minority block is equal or substantially equal in size, and large as compared with any other block outstanding, there is a presumption that each of such parties controls or has the power to control such concern; however, such presumption may be rebutted by clear and convincing evidence that such control or power to control, in fact, does not exist.
- If a concern's voting stock is distributed other than as described above, its management (officers and directors) is deemed to be in control of such concern. Where more than one class of stock is

authorized, all classes of stock and/or subscription agreements may be considered in determining whether the applicant is subject to the control of another entity.

(d) "Conglomerate" means a business concern made up of three or more companies that are legally authorized to do business, simultaneously, within the same or related industries. Factors which may be considered in determining whether the applicant business concern is part of a conglomerate include, but are not limited to, the following:

- (1) Authority and restrictions as indicated in the articles of incorporation, by-laws, partnership agreements and/or other business agreements and documents.
- (2) The financial interest and/or participation in any other business by any owner or key personnel;
- (3) Past and current employment history of owners involved in the business.
- (4) Members of the board of directors and corporate officers;
- (5) Experience, training and expertise of any owners;
- (6) Recent changes in ownership and/or control of the business;
- (7) Financial obligations to and capital contributions from non-owners of the business concern;
- (8) Any documents which indicate who has ultimate authority to make policy and management decisions that legally obligate the business concern.

Business concerns that are affiliated with a conglomerate shall be conclusively presumed to be a conglomerate.

(e) "State Agency" means all State departments, offices, boards, commissions, institutions, State universities and colleges and special organizational entities within State government.

(f) "Joint Venture" means an association of business concerns established for the purpose of engaging in and carrying out a single business venture for joint profit, for which purpose they combine their efforts, property, money, skills or knowledge, but without creating a partnership or a corporation. Additionally, the Joint Venture Agreement must provide that there shall be a distribution of costs, profits, losses and liabilities among all coadventurers in proportion to their contribution to the enterprise.

(g) "Manufacturer" means a business concern which is primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products. Notwithstanding any other provision of law or policy, any process which does not increase the worth, in money, goods or other property, of the raw materials or substances in their processed form, shall not be considered manufacturing and any business concern primarily engaged in performing such processes shall not be considered a manufacturer.

(h) "Industry Dominance" means the exercise or ability to exercise a controlling or major influence, on a statewide basis, in a kind of business activity or field of operation in which a number of business concerns are primarily engaged. In determining whether a business concern is dominant in its field of operation, the following criteria, among others, shall be considered: volume of business; financial resources; competitive status or position; ownership or control of materials, processes, license agreements and facilities; sales territory and nature of business activity. Conglomerates, as defined, shall be presumed to be dominant in their field(s) of operation. Such presumption may be rebutted by clear and convincing evidence that the conglomerate is not, in fact, capable of asserting a major influence or indirect control in the given industry or field of operation. Such evidence may be found on the face of the application or in other documents requested by the Office of Small and Minority Business pursuant to Section 1896(d) of this subchapter.

(i) "Bid" means 1) an offer or proposal of terms made with the purpose of securing the acceptance thereof, by a state agency, thereby creating a contract, or 2) an invitation or solicitation of bids where the state reserves the right to make multiple awards pursuant to such invitation or solicitation.

(j) "Annual Receipts" means all pecuniary receipts (less returns, allowances and interaffiliate transactions), the assignment of such receipts notwithstanding, of a business concern from whatever source derived, as entered or to have been entered on its regular books of account for its most recently completed fiscal

year (whether on a cash, accrual, completed contracts, percentage of completion or other commonly recognized and accepted accounting method). Proof of annual receipts must be provided in the form of either:

(1) A copy of completed tax returns (with all schedules), as filed or to be filed with the United States Department of the Treasury, Internal Revenue Service, for Federal income tax purposes; or

(2) Audited financial statements covering the applicant business concern and all affiliates; or

(3) If the documents required under 1 or 2 above are unavailable, an unaudited financial statement covering the applicant business concern and all affiliates; and

(4) A duly sworn and notarized statement which attests to the truthfulness and accuracy of the unaudited financial statement as well as the authority of the signatory to make such representation regarding the applicant business concern and a promise to provide the information required under 1 or 2 above within 90 days of the effective date of certification.

If a concern which has been in business more than 12 months changes its accounting period (fiscal year), its annual receipts will be determined from its most recently completed 36 month period in business. Once the new fiscal year has been completed, the Office of Small and Minority Business may require a new application which sets forth the applicant's annual receipts under the new fiscal year cycle.

If a concern has acquired an affiliate during the applicable accounting period, it is necessary in computing the applicant's annual receipts, to include the affiliate's receipts during the entire applicable accounting period, rather than only its receipts during the period in which it has been an affiliate. The receipts of a former affiliate are to be included if such concern was an affiliate during a portion of the applicable accounting period.

(k) "Familial Relationship" means relationships between the following family members: Husband, wife, child, stepchild, mother, father, grandparent, brother, sister, grandchild, stepbrother, stepsister, stepmother, stepfather, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, and if related by blood, uncle, aunt, niece, nephew.

(l) "Small Business" as used with regard to a public works contract as defined in Division 2, Part 1, Chapter 1, Section 1101 of the California Public Contract Code, means a business concern which has been issued a currently valid Contractor's license by the State of California and meets the following requirements:

(1) Has requested the status of a small business and has been approved as such by the Office of Small and Minority Business.

(2) Is not, together with any affiliate(s), dominant in its field of operations.

(3) Is independently owned and operated, with the principal place of business located in California, and the officers, in the case of a corporation or owners in all other cases, of such business domiciled in California.

(4) Does not have, together with any affiliates, annual receipts in the aggregate for the prior three years which exceed the maximum receipts specified below for the applicable Contractor's License Type:*

Contractor's License Type	Maximum Receipts for Preceding Three Years
A General Engineering	\$8,200,000
B General Building Contractor	8,500,000
C-2 Insulation and Acoustical	3,000,000
C-4 Boiler, Hot water, Steam Fitting	4,200,000
C-6 Cabinet and Mill Work	2,600,000
C-8 Concrete	3,800,000
C-9 Drywall	3,000,000
C-10 Electrical (general)	6,800,000
C-11 Elevator Installation	3,600,000
C-12 Excavation work and paving	2,400,000
C-13 Fencing	2,600,000
C-15 Flooring and Floor Covering	2,400,000
C-16 Fire Protection Engineering	2,600,000
C-17 Glazing	2,600,000
C-20 Warm air heat, ventilating, Air Conditioning ..	4,200,000
C-21 Building moving, wrecking	3,600,000

*Emphasis by OSMB

C-23 Ornamental Metals	2,600,000
C-26 Lathing	3,000,000
C-27 Landscaping	1,900,000
C-29 Masonry	2,600,000
C-32 Parking and Highway Improvement	2,600,000
C-33 Painting and Decorating	2,600,000
C-34 Pipeline	4,200,000
C-35 Plastering	3,000,000
C-36 Plumbing	4,200,000
C-38 Refrigeration	4,200,000
C-39 Roofing	2,600,000
C-42 Sanitation Systems	4,200,000
C-43 Sheet Metal	2,600,000
C-45 Electrical Signs	6,800,000
C-46 Solar	2,600,000
C-50 Steel, Reinforcing	2,600,000
C-51 Steel, Structural	6,000,000
C-53 Swimming Pool	2,600,000
C-54 Tile (Ceramic and Mosaic)	2,200,000
C-55 Water Conditioning	2,600,000
C-57 Well Drilling (Water)	2,600,000
C-60 Welding	2,600,000
C-61 Limited Specialty	2,600,000

These matters shall be set forth by the applicant annually under penalty of perjury, on a form supplied, upon request, by the Office of Small and Minority Business.

The firm shall also set forth on the bid form the name and nature of any business which has assisted it in obtaining bonding for submission of the bid with respect to which the firm seeks a Small Business Preference, and if the firm which rendered bonding assistance is listed as a subcontractor on such bid there shall be set forth on the bid form the percentage of the contract price called for by the prime bid which will be performed by subcontractor.

(m) "Small Business" as used with regard to an agreement for the purchase, lease or rental (with option to purchase) of goods means:

(1) A business concern which has requested the status of Small Business and has been approved as such by the Office of Small and Minority Business.

(2) Is not, together with any affiliate(s), dominant in its field of operation.

(3) Is independently owned and operated, with the principal place of business located in California and the officers in the case of a corporation, or owners in all other cases, of such business domiciled in California.

(4) A non-manufacturer* shall qualify as a Small Business if it is classified by the Office of Small and Minority Business in one of the following industry groups and its annual receipts (including the receipts of all affiliates) in the aggregate, for the preceding three years, do not exceed the maximum receipts specified below for the applicable industry group:*

Industry Group	Maximum Receipts for Prior Three Years
(i) Motor Vehicle Dealers	\$20,000,000
(ii) Automotive Parts and Supplies	8,400,000
(iii) Furniture	9,500,000
(iv) Lumber and Plywood and Millwork	8,300,000
(v) Construction material (except lumber and hardware)	7,100,000
(vi) Hardware	6,300,000
(vii) Sporting and Recreational Goods	7,200,000
(viii) Photographic Equipment and Supplies	6,200,000
(ix) Aircraft Dealers	8,400,000
(x) Aircraft Parts and Supplies	6,800,000
(xi) Metals and Minerals (except petroleum) ..	12,400,000
(xii) Electrical Apparatus and Equipment	6,900,000
(xiii) Electrical Appliances, Television and Radio sets	9,800,000
(xiv) Electronic Parts and Equipment	6,900,000
(xv) Commercial Machines and Equipment (including EDP)	9,600,000
(xvi) Plumbing and Hydronic Heating Supplies ..	7,800,000
(xvii) Warm Air Heating, Refrigeration and Air Conditioning Equipment	7,500,000

TITLE 2

DEPARTMENT OF GENERAL SERVICES

§ 1896

(xviii)	Construction and Mining Machinery and Equipment	17,000,000
(xix)	Farm and Gardening Machinery and Equipment	9,500,000
(xx)	Industrial Machinery and Equipment	9,600,000
(xxi)	Industrial Supplies	7,500,000
(xxii)	Professional Service Establishment Equipment and Supplies	7,000,000
(xxiii)	Transportation Equipment and Supplies ..	7,500,000
(xxiv)	Farm Supplies	7,500,000
(xxv)	Paper and Paper Products (Except Stationery Supplies)	7,500,000
(xxvi)	Stationery Supplies (Including Office Supplies)	6,500,000
(xxvii)	Clothing and Apparel	6,400,000
(xxviii)	Frozen Foods	12,900,000
(xxix)	Dairy Products	16,200,000
(xxx)	Poultry and Poultry Products	16,900,000
(xxxi)	Fresh Fruits and Vegetables	17,900,000
(xxxii)	Meats and Meat Products	17,500,000
(xxxiii)	Fish, Seafood and Groceries (NEC)	12,100,000
(xxxiv)	Chemical Products	7,500,000
(xxxv)	Petroleum Products	21,000,000
(xxxvi)	Durable Goods and Non Durable Goods (NEC)	7,200,000

(5) A **manufacturer*** shall qualify as a small business if it is classified by the Office of Small and Minority Business in one of the following industry groups and its annual receipts (including the receipts of all affiliates) in the aggregate, for the preceding three years, do not exceed the maximum receipts specified below for the applicable industry groups:*

Industry Group	Maximum Receipts for Prior Three Years
(i) Food and Kindred Products	
(a) Meat Products	\$38,600,000
(b) Dairy Products	29,700,000
(c) Canned and Preserved Fruits and Vegetables	29,700,000
(d) Grain Mill Products	27,400,000
(e) Bakery Products	34,700,000
(f) Sugar and Confectionery	26,000,000
(g) Fats and Oils	29,000,000
(h) Beverages	33,500,000
(i) Misc. Food Preparation	34,700,000
(ii) Textile Mill Products	
(a) Broad Woven Fabrics and Knitting Mills	20,900,000
(b) Floor Covering Mills	24,700,000
(c) Yarn and Thread Mills	22,600,000
(d) Misc. Textile Goods, NEC	20,600,000
(iii) Apparel and Other Textile Goods	
(a) Men's, Youth and Boy's Apparel	24,700,000
(b) Women's, Misses, Junior Outerwear ..	24,200,000
(c) Women's, Misses, Child and Infant's Underwear	21,400,000
(d) Hats, Caps and Millinery	12,200,000
(e) Girl's, Children's, and Infant's Outerwear	16,000,000
(f) Misc. Apparel and Textiles, NEC	17,400,000
(iv) Lumber and Wood Products Except Furniture	15,700,000
(v) Furniture and Fixtures	
(a) Household Furniture	17,300,000
(b) Office Furniture	18,000,000
(vi) Paper and Allied Products	30,000,000
(vii) Printing, and Publishing and Allied Industries	16,000,000
(viii) Chemicals and Allied Products (Except Drugs)	25,500,000
(x) Drugs	21,000,000
(x) Rubber and Misc. Plastic Products	25,900,000
(xi) Stone, Clay, and Glass Product	16,900,000
(xii) Fabricated Metal Products	17,000,000
(xiii) Machinery, Except Electrical	31,000,000
(xiv) Electric, Electronic Machinery and Equipment	16,200,000
(xv) Transportation Equipment	
(a) Motor Vehicles and Motor Vehicle Equipment	33,400,000
(b) Aircraft and Parts	31,000,000
(c) Railroad Equipment	15,000,000

*Emphasis by OSMB

(d) Misc. Transportation	19,700,000
(xvi) Measuring Instruments and Related Products	30,500,000
(xvii) Wood Buildings and Mobile Homes	21,000,000
(xviii) Telecommunications Machinery and Equipment	22,400,000
(xix) Petroleum Refining and Related Industries	43,400,000
(xx) EDP Machinery and Equipment	24,000,000
(xxi) Manufacturing, NEC Not Specifically Classified in this section	11,400,000

(n) With regard to services the following shall apply:

(1) "Service firm" means any business concern doing business with or proposing to do business with the State of California pursuant to an agreement for the performance of services.

(2) "Agreement for the performance of services" means any contractual arrangement not involving the following:

(A) Public works contracts as defined by the provision of Division 2, Part 1, Chapter 1, Section 1101 of the California Public Contract Code.

(B) The sale, manufacture, lease, or rental, with the option to purchase, of goods; or

(C) Arrangements where the services provided are merely incidental to the sale, manufacture, lease or rental, with the option to purchase, of goods.

(3) "Small Business," when used in reference to a **service*** firm means:

A business concern in which the principal place of business is located in California and the owners (or officers in the case of a corporation) of such business are domiciled in California, which is independently owned and operated and which is not dominant in its field of operation; and which has been classified by Office of Small and Minority Business in one of the following industry groups, and does not have, together with any affiliates, annual receipts for the preceding three years, exceeding the maximum receipts specified below for the applicable industry groups:*

Industry Group	Maximum Receipts for Prior Three Years
(i) Agricultural and Research Services	\$3,300,000
(ii) Computer, Data Processing and Software Services	4,400,000
(iii) Communications/Telecommunications Services	5,200,000
(iv) Architects, Engineers and Survey Services ..	3,000,000
(v) Consulting, Management and Public Relations	3,000,000
(vi) Forestry Services	3,000,000
(vii) Landscape and Horticultural Services	1,900,000
(viii) Utility and Refuse Services	
(a) Refuse and Sanitary Services	4,500,000
(b) Sewage Systems	4,500,000
(c) Electric, Gas and Other Utilities	17,500,000
(ix) Business Services	
(a) Advertising	3,800,000
(b) Credit Reporting	2,200,000
(c) Mailing, Photocopying and Blueprint Services	3,300,000
(d) Commercial Photography and Graphics	1,800,000
(e) Stenographer and Reproduction Services	1,700,000
(f) Personnel Supply Services	3,200,000
(g) Security Services	4,500,000
(h) Commercial Testing Labs	3,000,000
(i) Cleaning/Maintaining of Buildings	2,500,000
(j) Disinfecting and Exterminating Services	1,900,000
(k) Window Cleaning	1,800,000
(l) Accountants, Auditors and Appraisers ..	3,000,000
(m) Business Services (NEC)	3,000,000
(x) Automotive Rental and Leasing	
(a) Automobiles	5,600,000
(b) Truck/Tractor	4,900,000
(c) Utility Trailer	3,500,000
(xi) Automotive Repair Shops	
(a) Top and Body Shops	2,300,000
(b) Paint Shops	2,400,000

(c) General Auto Repair (NEC)	2,300,000
(xii) Ground Transport	
(a) Ground Transport (except taxicabs) ..	4,500,000
(b) Taxicabs	4,800,000
(xiii) Transport and Travel Agents	4,900,000
(xiv) Air Transport Services	9,500,000
(xv) Air Transport Support Services	3,200,000
(xvi) Warehousing	3,000,000
(xvii) Freight Transport	4,200,000
(xviii) Personal Services	
(a) Linen and Diaper Supply	4,800,000
(b) Misc. Personal Services, NEC	1,800,000
(xix) Health and Social Services	
(a) Physicians and Dentists	2,400,000
(b) Nursing and Personal Care Facilities ..	6,500,000
(c) Medical and Dental Labs	3,300,000
(d) Out-Patient Care Localities	3,000,000
(e) Health Care Practitioners (NEC)	2,700,000
(f) Job Training and Vocational Rehabilitation Centers	2,200,000
(g) Child Day Care	1,700,000
(h) Residential Care Facilities	1,900,000
(i) Social Services	1,900,000
(xx) Legal Services	2,000,000
(xxi) Video Recording and Motion Picture Services	4,200,000
(xxii) Amusement and Recreation Services	3,000,000
(xxiii) Misc. Repair Services	1,800,000
(xxiv) Equipment Rented/Leasing (NEC)	2,600,000
(xxv) Misc. Services (NEC)	1,100,000

(o) "Agent" means one who (1) undertakes to transact some business, or to manage or control some affair for a principal by authority and on account of such principal and to render an account of it to such principal, or (2) is authorized by another to act for him or her, one entrusted with another's business or, (3) represents and acts for another under the contractual relationship of agency.

NOTE: Authority cited: Sections 14839 (g) and 14843, Government Code. Reference: Section 14838, Government Code.

HISTORY

1. New Subchapter 8 (Sections 1896, 1896.2, 1896.20 and 1896.30) filed 4-19-74 as an emergency; designated effective 5-1-74. Certificate of Compliance included (Register 74, No. 16).
2. Amendment of subsections (k) (3) and (l) (1) filed 12-31-75 as an emergency; designated effective 1-1-76 (Register 76, No. 1).
3. Amendment of subsections (k) and (l) filed 6-19-78; effective thirtieth day thereafter (Register 78, No. 25).
4. Amendment filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39).
5. Amendment of subsection (m) (1) (B) filed 10-13-78; effective thirtieth day thereafter (Register 78, No. 42).
6. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).
7. Amendment of subsections (l) and (m) and new subsection (n) filed 10-7-85; effective upon filing pursuant to Government Code Section 11346.2(d) (Register 85, No. 41).
8. Amendment filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
9. Certificate of Compliance including amendment of subsection (k) transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

Article 2. Small Business Preference

1896.2. Preferences.

Each State agency, as defined, shall grant to all qualified small businesses, a preference, in awarding contracts, not to exceed 5%. Such preference shall be administered in the following manner(s):

(a) When a state agency procurement is primarily for the purchase, lease or rental, with option to purchase, of goods, such agency shall grant a bidding preference equal to five percent (5%) of the lowest responsible bid, if that low bid has been submitted by a bidder who is not certified as a small business. In no event however, shall the cost of the small business preference exceed the sum of \$50,000 for any bid submitted.

(b) When a state agency procurement is primarily for public works, such agency shall grant the prescribed preference in the following manner(s):

(l) On public works agreements where the lowest responsible bid exceeds \$100,000; and the work to be performed requires a

type "A" or "B" contractor's license and two or more subcontractors will be used, preferences shall only be granted to those small business bidders who certify, under penalty of perjury, that at least fifty percent (50%) of subcontractors utilized on the job are certified small businesses. In meeting the 50% requirement, bidders may use certified small businesses and/or small businesses that have applied for certification no later than 5:00 p.m. on the bid opening date and are subsequently granted certification. The 50% small business subcontractor utilization level shall be maintained throughout the term of the contract. The preference shall otherwise be applied as provided in subsection (a) of this section.

(2) In all other procurements involving public works, the small business preference shall be applied in the manner specified in subsection (a) of this section.

(3) In no event shall the cost of the small business preference exceed the sum of \$50,000 for any bid submitted.

(c) When a state agency procurement is for an agreement for the performance of services, as defined, such agency shall grant the prescribed preference in the following manner:

(l) When the required service(s) are being solicited by means of an Invitation for Bids or a Request for Proposals and the contract will be awarded to the firm or individual submitting the lowest responsible monetary bid, preferences shall be applied in the manner specified in subsection (a) of this section.

(2) When the required services are being solicited by means of a Request for Proposals (RFP's) and the contracting agency establishes that it is necessary that the contract be awarded to a firm or individual based upon the total accumulation of points, all qualified small businesses shall be granted, in addition to the earned score, a preference consisting of five percent of the price component of the highest scored proposal, if that proposal is submitted by another bidder who is not certified as a small business.

Because RFP's which provide for contract award via the secondary method (point count) have the effect of diluting the benefit of the small business preference, the use of such RFP's is strongly discouraged and must be limited to those rare instances when agencies seek a unique solution to a specified problem which cannot be resolved by the lowest bidder.

(d) Notwithstanding any other provisions, the small business preference shall be applied to the procurement of electronic data processing and telecommunication goods and services only in those instances where the award will be made to the lowest responsible bidder meeting specifications. When an agency elects to award an electronic data processing or telecommunication contract on a basis other than cost alone, the small business preference shall not apply. When an agency elects to award an electronic data processing or telecommunication contract to the lowest responsible bidder meeting specifications, the small business preference shall be administered in the manner specified in subsection (a) of this section.

(e) If, after applying the preference (as described in the preceding subsections) to a small business bidder's bid, that bid is equal to or lower than the lowest non-small business bid, or equal to or higher than the highest scored non-small business proposal, the award shall be made to the small business.

(f) All other requirements of law, including but not limited to, the State Contract Act and the Subletting and Subcontracting Fair Practices Act, as well as applicable sections of the California Labor Code, shall apply.

NOTE: Authority cited: Section 14839(g), Government Code. Reference: Sections 14838 and 14836(b), Government Code.

HISTORY

1. Amendment filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39).
2. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).
3. Amendment filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
4. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.4. Assistance.

(a) The Office of Small and Minority Business will provide the following, in addition to other forms of assistance:

(1) In preparing standard form for contractor's Statement of Experience and Financial Condition required for contracts let by Office of the State Architect.

(2) In preparing bidder questionnaire form for prequalification of bidders for purchases made by the Office of Procurement.

(b) Assistance in obtaining information on licensing, bonding, and insurance requirements necessary to bid.

(c) Assistance in the preparation of bids and proposals to be submitted to state agencies.

(d) Assistance in understanding the provisions of the State Contract Act, applicable Labor Code provisions and the Subletting and Subcontracting Act as they apply to construction contracts, and the State Purchasing Act as it applies to State procurements.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14837, 14838, 14839 and 14842, Government Code.

HISTORY

1. Amendment and renumbering of Section 1896.20 to Section 1896.4 filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39). For prior history, see Register 74, No. 16.
2. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).
3. Amendment filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
4. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.6. Agents.

Agents by definition are not independently owned and operated and cannot therefore qualify as a Small Business. Persons employed for the sale of goods or services such as brokers, factors, commission agents, commission merchants, factory representatives, or mercantile agents are included in the definition of agents set forth at subsection 1896(o). There is a presumption that persons transacting business under such titles or similar titles are agents; however, such presumption may be rebutted by clear and convincing evidence that an agency relationship in fact does not exist.

In determining whether an agency relationship exists, consideration shall be given to all appropriate factors, including contractual relationships, apparent business arrangements, the passage of title to goods or merchandise, shipping and billing practices, inventories, and control in dictating bid quotes. Where a firm represents a manufacturer or supplier as an agent and also transacts business with the same manufacturer or supplier and for the same products on a non-agent basis, there will be a conclusive presumption that the concerns are affiliated.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14837-14839 and 14842, Government Code.

HISTORY

1. New section filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39).
2. Amendment filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
3. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.8. Reports.

To assist the Office of Small and Minority Business and the Department of General Services in preparing reports and compiling information in accordance with the Small Business Procurement and Contract Act, all state agencies shall submit reports at such intervals and upon such formats as requested by the Department of General Services.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14839, 14840 and 14841, Government Code.

HISTORY

1. New section filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39).
2. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).
3. Amendment filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
4. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.10. Prequalification.

Prequalification of Small Business Bidders on State Procurements. Notwithstanding the requirements of Section 1896 et seq., of the California Code of Regulations, the Director may modify the requirements for the *Experience* and *Inventory* normally required as stated in the Rules for Prequalification of Vendors under Section 1890 of the California Code of Regulations if a Small Business can present evidence that they have the ability, resources, and facilities to adequately supply the State.

(a) Such evidence, may among other things, consist of:

- (1) Adequate capitalization or financial backing
- (2) Bondability
- (3) Prior experience of individuals within the Small Business
- (4) Assurances from a supplier of a Small Business that adequate supplies are available to the bidder to meet the needs of the State.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14837, 14838, 14839 and 14842, Government Code.

HISTORY

1. Amendment and renumbering of Section 1896.30 to Section 1896.10 filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39). For prior history, see Register 74, No. 16.
2. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).

1896.12. Certification.

In order to receive the small business preference on bids submitted to state agencies, business concerns must have a completed application (including proof of annual receipts) on file with the Office of Small and Minority Business, request a preference and meet all applicable requirements under this subchapter and the State Small Business Procurement and Contract Act, (including but not limited to evidence to rebut presumptions) not later than five o'clock (5:00 p.m.) on the date on which the subject bid is opened. All business concerns that meet the requirements, as specified, for small business qualification shall be certified as a small business and shall be accorded all rights and privileges due pursuant to that classification. Such certification may be valid for not less than six (6) nor more than thirty-six (36) months, however, every certified small business shall be subject to reverification of status at any time that the Office of Small and Minority Business, based upon information not disclosed in the most recent application, deems appropriate. Failure by a Small Business to provide information requested, pursuant to a reverification within the time specified by the Office of Small and Minority Business, shall be grounds for immediate decertification of status. It is the obligation of all certified small businesses to provide written notification, to the Office of Small and Minority Business, of any changes in the operation or ownership of the certified business concern. If a certified small business fails to notify the Office of Small and Minority Business of a change in operation or ownership and such change renders the current application incomplete, the Office of Small and Minority Business shall suspend the small business certification of such business concern until the current application is completed. If, upon reverification the small business no longer meets the requirements of the Small Business Procurement and Contract Act or the regulations set forth in this subchapter, the Office of Small and Minority Business shall, in accordance with Section 1896.20, immediately decertify such business concern and within twenty (20) working days of final decertification, determine whether there are grounds for the imposition of appropriate sanctions against the decertified business concern.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14838, 14839, 14842 and 14842.5, Government Code.

HISTORY

1. Renumbering and amendment of former Section 1896.12 to Section 1896.18, and new Section 1896.12 filed 6-6-88, as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88. For history of former Section 1896.12, see Register 82, No. 50.
2. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.14. Small Business Joint Venture Exemption.

Notwithstanding any other provision, under the following circumstances, business concerns, bidding as a joint venture, as defined by Section 1896(f), shall be exempt from the annual receipts limit imposed by this subchapter:

- (a) Each individual co-adventuring business concern must meet the definition of a Small Business as set forth by this subchapter; and
- (b) Each individual co-adventuring business concern must be non-affiliated within the meaning of Section 1896(b); and
- (c) Each individual co-adventuring business concern must have filed a completed application (including proof of annual receipts) not later than five (5) working days prior to the opening of any bid on which a small business preference is sought; and
- (d) Every individual co-adventuring business concern shall agree that sanctions, imposed by the Department of General Services, on the joint venture are equally applicable to each co-adventurer.

Notwithstanding the provisions of Section 1896.12, joint ventures must be certified on a bid by bid basis. It shall be presumed that certified small business joint ventures are not conglomerates within the meaning of Section 1896(d). This presumption may be rebutted by clear and convincing evidence that co-adventurers are affiliated independent of the joint venture agreement.

NOTE: Authority cited: Section 14839(g), Government Code. Reference: Sections 14838 and 14839, Government Code.

HISTORY

1. New section filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
2. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.16. Application Processing.

Every business concern which submits an application for certification as a small business shall be notified of any deficiencies in the application within 30 working days of the receipt of such application by the Office of Small and Minority Business. Once the Office of Small and Minority Business has received a completed application, it shall notify the applicant of its determination within 30 working days of the receipt of such completed application. Nothing contained herein shall be construed as a limitation on the ability of the Office of Small and Minority Business to certify a business concern in less than 30 working days. Based upon prior workload performance, the minimum, mean, and maximum time(s) required to process an application for certification are 2, 20, and 30 working days, respectively.

NOTE: Authority cited: Section 14839(g), Government Code. Reference: Section 15376, Government Code.

HISTORY

1. New section filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
2. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.18. Sanctions for Providing False information.

(a) A business which has obtained certification as a small business by reasons of having furnished incorrect supporting information and which by reason of such certification has been awarded a contract to which it would not otherwise be entitled shall in addition to sanctions imposed pursuant to Government Code Section 14842.5:

- (1) Pay to the State any difference between the contract amount and what the State's costs would have been if the contract had been properly awarded;
 - (2) In addition to the amount described in subdivision (a), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved; and
 - (3) Be ineligible to transact any business with the Department for a period of not less than three months and not more than 24 months.
- (b) Prior to the imposition of any sanction under subsection 1896.18(a) above, the contractor or vendor shall be entitled to a

public hearing and to five days' notice of the time and place thereof. The notice shall state the reasons for the hearing.

NOTE: Authority cited: Section 14843, Government Code. Reference: Sections 14839 and 14842, Government Code.

HISTORY

1. New section filed 9-25-78; effective thirtieth day thereafter (Register 78, No. 39).
2. Editorial correction of NOTE filed 12-6-82 (Register 82, No. 50).
3. Renumbering and amendment of former Section 1896.12 to Section 1896.18 filed 6-6-88, as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88.
4. Certificate of Compliance transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

1896.20. Appeal of Determination.

All proposed determinations of noneligibility for certification made by the Office of Small and Minority Business shall become final unless such determination is appealed in a timely manner. Any business concern which believes that the proposed determination will result in its being wrongly denied certification as a small business by the Office of Small and Minority Business may file an appeal in writing, signed and dated, with the Director of the Department of General Services. The appeal must be filed no later than 10 calendar days after the date of notice of decertification or denial of certification. The Director may, upon written request which specifies the reasons for such request, extend the time for filing or waive the time limit in the interest of justice, specifying in writing the reasons for doing so. Following receipt of an appeal filed as prescribed by these regulations, the Department of General Services shall determine whether the appeal is to be resolved by written submission of material or by public hearing where the appeal is based upon an original application for certification or a renewal of an expired certification. Where the appeal is based upon the revocation of a currently valid certification the appeal shall be resolved by public hearing. In the event a public hearing is to be held, the department shall set a date, time and place for the hearing and shall so notify all interested parties not less than 5 calendar days in advance of the hearing. The department may in its discretion upon notice to all interested parties, as defined by Title 2, California Code of Regulations Section 1195(b), change the date of, postpone or continue the hearing at the request of an interested party upon showing of good cause or upon its own motion. The location of the hearing shall be at the discretion of the hearing officer and situated for the convenience of all parties.

In the event the appeal is to be determined through written submissions, notice shall be sent to all interested parties, each of whom may submit written argument in support of its position in accordance with the deadline established by the hearing officer. The determination that the appeal shall be determined through written submission shall be made upon the hearing officer's evaluation that oral or additional testimony would be unnecessary to a full understanding of the issues.

Any written submission to the Department of General Services including that submitted for purposes of the hearing shall be in an original and two copies, together with proof of service of a copy to each interested party. At any time the Department of General Services finds that an appeal is clearly insufficient on its face, entirely without merit, or outside of the jurisdiction of the department, it may make final disposition of the appeal forthwith.

The powers and responsibilities of the hearing officer, the period allowed for rendering a decision and the form of notice shall be the same as those established by Title 2, Subchapter 1.5, Sections 1195.4, 1195.5 and 1195.6 respectively, of this Code.

NOTE: Authority cited: Sections 14839(g) and 14843, Government Code. Reference: Sections 14837, 14838, 14839, 14839.1 and 14842.5, Government Code.

HISTORY

1. New section filed 6-6-88 as an emergency; operative 6-6-88 (Register 88, No. 25). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 10-4-88. For history of former Section 1896.20, see Registers 78, No. 39 and 74, No. 16.
2. Certificate of Compliance including amendment transmitted to OAL 10-4-88 and filed 11-2-88 (Register 88, No. 46).

TIME WISE CERTIFICATION

THE OSMB OFFERS TIME SAVING CERTIFICATION OPTIONS

The State of California offers many contracting opportunities but competition for these contracts can be especially fierce. To assist Small Business (SB) firms in competing for these contracts the State established a SB participation program that grants a 5% bidding preference to businesses certified by the Office of Small and Minority Business (OSMB). The State also encourages Disabled Veteran Business Enterprise (DVBE) participation in its contracting process through its 3% DVBE participation program.

Participation is not automatic in these programs. To participate in these programs, SB and DVBE firms must complete an application and meet all certification requirements prior to bid opening date. To aid in meeting these certification requirements, the OSMB initiated a new appointment system. You can now schedule an appointment with an analyst who will answer your questions and review your completed application.

This new appointment system compliments and expands OSMB's current certification services. **Traditionally**, the SB/DVBE submits an application to the OSMB and the application is processed in date order. A certification officer reviews the information to determine if the applicant firm meets SB or DVBE certification requirements. The firm is notified by mail of certification approval, denial or additional information required.

Our **expedite** service enables firms, actively bidding on state contracts, to have their applications reviewed prior to the official bid opening date. Requests for expedite service must be made in writing and include a copy of the bid instruction page indicating the bid opening date. During this process, the OSMB staff works closely with the firm; communicating by telephone and/or FAX to facilitate a completed review.

The OSMB believes that the certification options offered will help you save and better utilize your time whether you choose the traditional, expedite, or our new appointment process.

For information on this new process contact the OSMB at (916) 323-5478. We will be happy to answer additional questions and schedule an appointment. We look forward to assisting you.

California State Contracts Register on the World Wide Web

*Announcing the CSCR now accessible on the
Internet at **<http://www.dgs.ca.gov>***

The CSCR advertises state service and construction contracting opportunities. Currently each issue contains hundreds of contracts available for bid. There are many time saving benefits to accessing this information via the Internet. The "Bookmark" and "Find" feature alone will allow direct access to the advertisements of interest to your business.

Some of the additional benefits on the Internet are....

- more timely notification of contract information
- increased response lead time to the advertised bid deadline
- cost savings
- business information necessary for state contracting.

Public access to the Internet is available through participating local libraries. For more information or a listing of local libraries with Internet accessibility, please contact the Office of Small and Minority Business (OSMB) at (916) 323-5478.

SMALL BUSINESS AND/OR DISABLED
VETERAN BUSINESS ENTERPRISE
CERTIFICATION APPLICATION

STD. 812 (REV. 7/94) PAGE 1

COMPLETE AND RETURN TO:
Office of Small and Minority Business
1531 I Street, Second Floor
Sacramento, CA 95814-2016 (916) 322-5060

(Date Stamps)

FOR STATE USE ONLY

☐ NEW

☐ RENEWAL

ID#

SECTION A--CERTIFICATION TYPE REQUESTED (Check Applicable Type[s])

1. ☐ SMALL BUSINESS (SB) ONLY - (OMIT SECTION G)
- ☐ DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) ONLY - (OMIT SECTIONS D4-5, E4-5, F1-6 and 8, H1-4)
- ☐ BOTH SB AND DVBE - (COMPLETE ENTIRE APPLICATION FOR YOUR BUSINESS TYPE)

2. BUSINESS TYPE (Check Business Type[s])

- ☐ **SERVICE FIRM**
(SB Complete Sections A, B, C, F and H)
(DVBE Complete Sections A, B, C, F 7 and 9 and G)
- ☐ **CONSTRUCTION FIRM**
(SB Complete Sections A, B, D, F and H)
(DVBE Complete Sections A, B, D, F 7 and 9 and G)
- ☐ **SUPPLIER/COMMODITY FIRM**
(SB Complete Sections A, B, E, F and H)
(DVBE Complete Sections A, B, E1-3, F 7 and 9 and G)

PERSONAL INFORMATION NOTICE*

Pursuant to the Federal Privacy Act (P.L. 93-579) of 1974 and the Information Practices Act (IPA) of 1977 (Civil Code Sections 1798, et. seq.), notice is hereby given for the request of personal information by this Application. The requested personal information is mandatory. The principal purpose of the mandatory information is to determine eligibility for Small Business/Disabled Veteran Business Enterprise Certification. The failure to provide all or any part of the requested information may delay processing of this Application. No disclosure of personal information will be made unless permissible under Article 6, Section 1798.24 of the IPA of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to the appropriate IPA Officer in the Department of General Services.

3. FEDERAL EMPLOYER I.D. NUMBER (FEIN)
4. SOCIAL SECURITY NUMBER (SSN)*
5. TELEPHONE NUMBER
(AREA CODE)
()
6. DOING BUSINESS AS (DBA) NAME (Use this name when bidding on State contracts)
7. ALSO KNOWN AS (AKA) NAME
8. MAILING ADDRESS (Number, Street, City, State, and ZIP Code)
9. LIST ADDRESSES OF ALL BRANCH OFFICES

SECTION B--OWNERSHIP TYPE

1. CHECK APPROPRIATE OWNERSHIP TYPE
- ☐ SOLE PROPRIETORSHIP ☐ PARTNERSHIP ☐ CORPORATION ☐ JOINT VENTURE ☐ NONPROFIT
2. ENTER LOCATION OF YOUR PRINCIPAL OFFICE
3. IF SUBSIDIARY, ENTER NAME AND LOCATION OF PARENT COMPANY
4. IF PARENT COMPANY, ENTER NAMES OF SUBSIDIARIES

Continue on page 2

FOR STATE USE ONLY			
SB STATUS		DATE (From) (Through)	DATE REVIEWED
BB STATUS		INITIAL GROSS ANNUAL RECEIPTS \$	UPDATED GROSS ANNUAL RECEIPTS \$
SB REVIEWED BY	SB CATEGORY <input type="checkbox"/> COMMODITIES MANUFACTURER <input type="checkbox"/> COMMODITIES NONMANUFACTURER <input type="checkbox"/> CONSTRUCTION <input type="checkbox"/> SERVICES		
DVBE STATUS	DATE (From) (Through)	DVBE APPROVED BY	DATE REVIEWED

Page 2

SECTION C--SERVICE FIRM

1. Review the instructions and select the most appropriate **SERVICE INDUSTRY GROUP(S)**. List the Roman numeral(s), industry group name(s), and maximum receipts threshold below. *(Attach additional sheet if necessary.)*

ROMAN NUMERAL	SERVICE INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)	ROMAN NUMERAL	SERVICE INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)

2. FRANCHISE--If your firm is a franchise, submit a copy of the franchise agreement

☐ YES--COPY ATTACHED ☐ NO

3. (SECTION 1896.6) DOES YOUR FIRM ACT AS AN AGENT?--If yes, check one and submit a copy of all agreements that exist with your firm.

☐ YES ☐ NO ☐ FULL TIME ☐ PART TIME

SECTION D--CONSTRUCTION FIRM

1. CONTRACTOR'S LICENSE NUMBER

2. LICENSE CLASSIFICATION(S)
A. CLASS

B. QUALIFIER'S FULL NAME
(First Middle Last)

3. LICENSE EXPIRATION DATE

4. CONTRACTOR'S BOND AMOUNT

\$

5. Do any qualifiers listed in Section D, Item 2, B, above participate as an owner, general partner, officer, director, or responsible managing employee (RME) of any other contractor's license?

☐ YES (If YES, provide affiliate information in Section F, Item 8.) ☐ NO

SECTION E--SUPPLIER/COMMODITY FIRM

1. FIRM TYPE

☐ WHOLESALER ☐ BROKER ☐ MANUFACTURER ☐ FRANCHISE--If your firm is a franchise, submit a copy of your franchise agreement
☐ RETAILER ☐ DISTRIBUTOR ☐ MANUFACTURING AGENT

2. ☐ MANUFACTURER--Review the instructions and select the most appropriate **MANUFACTURER COMMODITY INDUSTRY GROUP(S)**. List the Roman numeral(s), industry group name(s) and maximum receipts threshold below. *(Attach additional sheet, if necessary.)*

ROMAN NUMERAL	MANUFACTURER COMMODITY INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)	ROMAN NUMERAL	MANUFACTURER COMMODITY INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)

3. ☐ NON-MANUFACTURER--Review the instructions and select the most appropriate **NON-MANUFACTURER COMMODITY INDUSTRY GROUP(S)**. List the Roman numeral(s), industry group name(s) and maximum receipts threshold below. *(Attach additional sheet, if necessary.)*

ROMAN NUMERAL	NON-MANUFACTURER COMMODITY INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)	ROMAN NUMERAL	NON-MANUFACTURER COMMODITY INDUSTRY GROUP NAME	MAXIMUM RECEIPTS THRESHOLD (DVBE Optional)

4. (SECTION 1896.6) DOES YOUR FIRM ACT AS AN AGENT?--If yes, check one and submit a copy of all agreements that exist with your firm.

☐ YES ☐ NO ☐ FULL TIME ☐ PART TIME

5. DOES YOUR FIRM PURCHASE THE GOODS YOU INTEND TO SELL TO THE STATE?

☐ YES ☐ NO

SECTION F--BUSINESS INFORMATION

1. By my signature below, I hereby certify that I have read, understand, and believe that the firm meets the Small Business Certification Requirements under the definition of the California Code of Regulations, Title 2, Section 1896.

Applicant's Signature



2. IS YOUR FIRM AFFILIATED WITH ANOTHER BUSINESS ENTITY?

☐ YES ☐ NO

Continue on page 3

SECTION F--BUSINESS INFORMATION (Continued)

3. Section 1896 (j) defines "ANNUAL RECEIPTS," (see instructions provided with this form). Provide entire Federal Income Tax Returns (FTRs) for the **three most recently completed tax years**. If tax forms are not available for the year just ended, a notarized "Affidavit of Income" may be used for up to 90 days until FTRs are prepared. You must then send the completed FTRs. **You are required to provide complete FTRs for any affiliate businesses if you were an owner, general partner, officer, director, or responsible managing employee (RME) during the three most recently completed tax years.** (See Section 1896(b) regarding the definition of affiliate business.)

TAX YEAR	A			B			A + B
	GROSS ANNUAL RECEIPTS FOR APPLICANT FIRM	FROM Month/Year	TO Month/Year	GROSS ANNUAL RECEIPTS FOR AFFILIATE FIRMS	FROM Month/Year	TO Month/Year	TOTAL ANNUAL RECEIPTS FOR APPLICANT FIRM AND AFFILIATES
1							
2							
3							
AGGREGATE TOTAL							

4. PROVIDE FIRM'S FISCAL YEAR
(MONTH / DAY) (MONTH / DAY)
FROM: TO:
- 5A. IF IN BUSINESS LESS THAN THREE YEARS, GIVE DATE BUSINESS WAS ESTABLISHED (Month Day Year) / /
- 5B. IF BUSINESS OWNERSHIP TYPE CHANGED WITHIN THE LAST THREE YEARS, INDICATE DATE AND PREVIOUS OWNERSHIP TYPE (Month Day Year) / / (Previous Ownership Type)
6. CORPORATIONS ONLY: If in business less than three years, did business exist as a sole proprietorship, partnership, or another corporation prior to incorporation?
- ☐ YES - Submit the appropriate Federal Income Tax Returns for those years your business existed as another business entity.
- ☐ NO - If your corporation did **not** previously exist as another business entity, you must provide a notarized statement that states "**This business did not exist as a sole proprietorship, partnership, or another corporation prior to incorporating.**" Any new corporation must also provide the letter from the Secretary of State that indicates the date the firm was incorporated. In addition, attach the section from the Articles of Incorporation that indicate owners/officers/directors of the corporation.
7. List owners, general partners, officers, directors, and responsible managing employees (RMEs) of your firm and their percent of ownership in the firm. If a corporation, list total outstanding stock and a percent breakdown of ownership. If any owner/officer has more than one title, please list all titles for that individual. Stock % must equal 100%. (Attach additional sheet, if necessary.)

OWNERS, PARTNERS, DIRECTORS, OFFICERS, RMEs (Name)	(Title)	OWNERSHIP/ STOCK (%)	HOME ADDRESS (Do not use P.O. Box Number) (Street Address, City, State, ZIP Code)

8. Within the last three tax years, have any individuals listed in Section F (Item 7) participated as owners, general partners, officers, directors, or responsible managing employees (RMEs) of any other business entity? If any familial relationship owns a business that relates to your business activity, please list in this section. Sole proprietorships or partnerships must list below any firms indicated on any Schedule C of the filed 1040 FTR(s). If anyone or a combination of owner(s) and/or officer(s) identified in Section F, Item 7 also maintain either a sole or combined controlling interest in any above identified firms, or hold a management position, they must be listed in Section F, Item 8. If listed in Section F, Item 8, affiliate federal tax returns for the three most recent tax years must be provided in addition to the applicant's tax returns. (Attach additional sheets, if necessary.)

☐ YES - Provide names, percent of stock ownership, names of firms, and status ☐ NO

OWNERS, PARTNERS, DIRECTORS, OFFICERS, RMEs (Name)	(Title)	OWNER- SHIP/ STOCK (%)	NAME(S) OF FIRM(S) and ADDRESS(ES)	FIRM STATUS*		DISASSOCIATED**	
				YES / NO	DATE	YES / NO	DATE

* If firm status is operational, indicate YES. If not, indicate NO and enter date firm ceased to operate. Submit documentation regarding the date the firm ceased to operate.

** If disassociated, provide date and submit documentation.

Page 4

SECTION F - BUSINESS INFORMATION (Continued)

9. LOCATION: Reference the instructions and enter those State area codes in which you have the capacity of doing business.

SECTION G - FIRMS REQUESTING DVBE CERTIFICATION ONLY

1. DVBE MANAGEMENT AND CONTROL - List the individual (*Name / Title*) who has control of the firm in the following areas:

a.) FINANCIAL DECISIONS (Title)	d.) HIRE / FIRE MANAGEMENT (Title)
b.) ESTIMATING (Title)	e.) PURCHASING OF MAJOR EQUIPMENT / SUPPLIES (Title)
c.) MARKETING / SALES (Title)	f.) SUPERVISION OF FIELD OPERATIONS (Title)

2. By my signature below, I hereby certify that I have read, understand, and believe that the firm meets the DVBE certification requirements under Section 999 of the Military and Veterans Code.

Applicant's Signature



3. Is/are the disabled veteran business owner(s) resident(s) of the State of California?

☐ YES ☐ NO

4. ALL DVBE APPLICANTS MUST SUBMIT:

- | | |
|---|---|
| <p>1. <input type="checkbox"/> a.) A letter such as an award of entitlement for each disabled veteran owner/officer from the U.S. Department of Veteran Affairs or Department of Defense, issued within six (6) months of the date on which certification is sought, which would certify or declare the existence of a service-connected disability of at least 10%, at the time of application or renewal of the certification as a DVBE.</p> <p>b.) In the case of a DVBE certification renewal, the Service-connected Disability Renewal Statement (STD. 812B) which certifies that there has been no change in the service-connected disability status. (See instructions and Service-connected Disability Renewal Statement.)</p> <p>2. <input type="checkbox"/> Copies of applicable license(s) and/or permit(s).</p> | <p>3. <input type="checkbox"/> Information document/brochure describing the firm if available.</p> <p>4. <input type="checkbox"/> For a partnership firm, a copy of the partnership agreement and any subsequent amendments.</p> <p>5. <input type="checkbox"/> If a corporation, copies of:</p> <p>a.) Articles of Incorporation and any subsequent amendments, including date approved by the State.</p> <p>b.) Corporation by-laws and any subsequent amendments.</p> <p>c.) If a foreign corporation, authority to do business in California.</p> |
|---|---|

SECTION H--SB APPLICANTS ONLY

1. PLEASE CHECK THE APPROPRIATE BOX(ES) OF SUPPORTING DOCUMENTATION INCLUDED WITH THIS APPLICATION

- | | |
|--|--|
| <p>1. <input type="checkbox"/> Completed Federal Income Tax Returns for the three most recently completed tax years and/or a notarized "Affidavit of Income." All tax returns must be signed by the person who submitted the returns to the Internal Revenue Service. <u>Signature of your tax preparer is not acceptable.</u></p> <p>2. <input type="checkbox"/> Sole proprietorships must submit three years, entire signed 1040 FTRs regardless of years in business.</p> | <p>3. <input type="checkbox"/> Partnerships must submit the entire signed 1065 FTRs for years business existed as a formal partnership (not to exceed the three most recently completed tax years) and the current three years entire signed 1040 FTRs for each partner regardless of years in business.</p> <p>4. <input type="checkbox"/> Corporations must submit three years, entire signed 1120 FTRs. If your corporation has existed less than three years, see Section F, Item 6.</p> |
|--|--|

ALL APPLICANTS MUST SIGN BELOW

Any person willfully providing false information is subject to serious penalties. The signatory of this document hereby certifies that he/she has read and understands the foregoing statement and that all information provided herein is accurate and truthful. *I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.*

APPLICANT'S SIGNATURE



APPLICANT'S PRINTED NAME AND TITLE

DATE EXECUTED

EXECUTED IN THE COUNTY OF

APPLICANT'S BUSINESS NAME

RETAIN ATTACHED RULES AND REGULATIONS FOR YOUR RECORDS

AFFIDAVIT OF INCOME - Unaudited Income Statement

STD. 812A (NEW 7/94)

I, _____, attest to the truthfulness and accuracy of this annual receipts statement and have the authority to make this representation on behalf of _____

(Applicant Firm's Name)

for (Choose Only One) 1) _____ OR 2) _____ .

(Applicant's Name)

(Affiliate's Name)

I promise to provide a copy of the represented firm's (1 or 2 above) Federal Tax Return (FTR) or audited financial statement within 90 days of certification notice. The total annual receipts (*per California Code of Regulations, Title II, § 1896 (j)*) are \$ _____ for tax year 19 _____, (ending ____/____/____). I understand that failure to provide a copy of the FTR or audited financial statement of the represented firm (1 or 2 above) within 90 days after receiving small business certification notice will result in small business status suspension. This action may result in the applicant firm's small business revocation.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Applicant's Signature

Date Executed



Applicant's Printed Name and Title

Executed in the County of

Applicant's Business Name

APPLICANT FIRM COMPLETE IN NOTARY'S PRESENCE ONLY

AUTHORIZED SIGNATURE

DATE SIGNED

TITLE



FIRM NAME

ADDRESS

FOR NOTARY'S USE ONLY

SUBSCRIBED AND SWORN BEFORE ME BY:

DATE

NOTARY'S SIGNATURE



{Seal}

AFFIDAVIT OF INCOME - Unaudited Income Statement

STD. 812A (NEW 7/94) REVERSE

INSTRUCTIONS

- For those business that have not yet filed Federal Tax Returns (FTRs) for the **most recently completed tax year** or do not have audited income statements, submit a **notarized** "Affidavit of Income - Unaudited Income Statement".

NOTE: The Office of Small and Minority Business (OSMB) considers your most recently completed tax year to be the date when your tax year (or fiscal year) ends; **NOT** the date FTRs are prepared or the Internal Revenue Service (IRS) due date.

- Complete **one affidavit per tax return** that will be submitted to the OSMB which has not been filed with the IRS, e.g., partnerships prepare one affidavit for the 1065 partnership FTR and an affidavit for each partner's 1040 FTR. Additionally an affidavit must be submitted for each affiliate business.
- The affidavit must be completed by someone who has the authority to make such representation on behalf of the applicant firm. The person completing the affidavit enters his or her name, the **applicant firm** name, as well as the name of the business the affidavit represents. The total annual receipts, which includes an estimate of all gross receipts that will be reported on the corresponding FTR, **MUST** be completed.

- Include the tax year and tax year ending date to clearly identify the FTR being represented. For example, if the OSMB requests your fiscal year end 11/30/93 FTR, the form should indicate a 1992 tax year along with 11/30/93 ending date.

PLEASE NOTE: the OSMB will not accept affidavits prepared with incorrect tax years.

- Attach a valid tax extension copy with the affidavit if the FTR filing due date has passed. The OSMB will **NOT** accept affidavits past the filing due date without valid Federal extensions. If you file a tax extension after submitting the affidavit to the OSMB, you **MUST** forward a copy of the extension.
- Affidavits expire 90 days from the effective date of certification. Once the FTRs are prepared, forward **SIGNED** copies to the OSMB. Failure to provide the OSMB with the FTRs with all schedules and statements within 90 days will result in small business status suspension. This action may result in the applicant firm's small business status revocation.

SERVICE-CONNECTED DISABILITY RENEWAL STATEMENT

STD. 812B (NEW 7/94)

I, _____ certify that my disabled veteran service-connected disability status at the time of original Disabled Veteran Business Enterprise (DVBE) certification application was _____ %.

My disabled veteran service-connected disability status has not changed as of the date of this DVBE certification renewal application.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

*Disabled Veteran's Signature*_____
Date Executed_____
*Disabled Veteran's Printed Name and Title*_____
*Executed in the County of*_____
Applicant's Name

PLEASE CUT ALONG DOTTED LINE. RETURN THIS PORTION WITH YOUR APPLICATION.

The OSMB Telephone Information System (OTIS) provides interactive information to our most popular services. You may begin accessing our services when you hear the automated message begin.

(916) 322-5060

1	PROGRAM OVERVIEW NARRATIVES
1	Small Business (SB) Certification
2	Disabled Veteran Business Enterprise (DVBE) Certification
3	Minority/Women/Disabled Veteran Business Enterprise (M/W/DVBE) Participation Goal Program
4	California State Contracts Register
2	INTERNET ACCESS
3	MAILING REQUEST
1	SB/DVBE Application Packet
2	M/W/DVBE Resource Packet
3	DVBE Certified Firm List
4	Annual Reports
4	CERTIFICATION PROCESSES
1	Traditional
2	Appointment
3	Expedite
0	ACCESS OPERATOR
*	PREVIOUS MENU
#	REPEAT MESSAGE